

South Dakota Health Care Solutions Coalition
Shared Savings Subgroup
Meeting Notes 11/16/2017

Attendees: Sarah Aker, Mike Diedrich, Scott Duke, Deb Fischer-Clemens, Rep. Jean Hunhoff, Nick Kotzea, Tim Rave, Nate Livermont, Kim Malsam-Rysdon, Myra Munson, Mark Quasney, Kelsey Smith, William Snyder, Rep. Wayne Steinhauer, Shelly Ten Napel, Brenda Tidball-Zeltinger, and Lynne Valenti

Welcome and Introductions

Kim Malsam-Rysdon welcomed the group and thanked them for their participation.

Review October 6 Meeting Minutes

Kim reviewed the October 6 meeting. At the last meeting, the group reviewed the care coordination agreements. As a reminder, this group is working with two separate agreements – the care coordination agreement between IHS and non-IHS providers that implements the policy and the shared savings agreement between providers and the state. The last meeting focused on the mechanics of getting the care coordination agreements signed. The subcommittee also reviewed a draft of the initial shared savings agreement using some of the information that Wyoming provided as well as South Dakota's standard contract language.

Kim shared that Avera, Sanford, and Regional Health have all been able to execute care coordination agreements with IHS. The state helped facilitate getting those agreements to James Driving Hawk and the agreements were signed on Monday, November 13. Those agreements will serve as the model for this effort going forward. Kim thanked Deb, Tim, Nick, Mike, the DSS team, and Kathy Bad Moccasin for their work on this effort.

The next three target agreements are with dialysis providers. Bill Snyder gave an update on the status of agreements with dialysis providers. The providers have expressed interest and have been sent a copy of the care coordination agreement to review. Deb asked if Avera would be included with the dialysis providers. Brenda Tidball-Zeltinger noted that Avera's agreement with IHS includes their dialysis providers. Kim asked about the time frame for meetings with the dialysis providers. Bill noted that DSS plans to meet with providers again before the end of November.

Tim Rave commented that he and Nick were in North Dakota earlier in the week to discuss care coordination agreements. North Dakota is going to use the same template as South Dakota and Sanford will hopefully sign agreements next week between Bismarck and Standing Rock. Kim thanked him for the update. Tim thanked the state for being the regional leader in this area.

Myra Munson asked if anyone at IHS had shared any information about the shared savings agreements. Kim noted that the state has not had communication about the shared savings agreements from IHS. Myra said that there has not been communication to the Great Plains Tribal Chairman's Health Board (GPTCHB) about this as well.

Shared Savings Agreement – Timeline to Finalize/Execute

Brenda reviewed the shared savings work to this point. The state started with a model from the Wyoming agreement that describes the mechanism for sharing savings. The model that was recommended is a tiered savings model that looks at historical claims data to calculate the amount of savings shared with the provider. The current agreement describes the tiering model and incorporates the standard South Dakota contract language. Nick brought forward recommended language. Kim made a final call for other recommended changes. Myra noted that GPTCB is trying to engage IHS in discussions regarding the shared savings agreements and that Jerilyn is working on comments on shared savings. Myra said it would be helpful to have the latest version of the agreement to facilitate comments from tribes. The agreement will be attached with the meeting minutes.

Kim asked the systems for feedback about the review process for the Shared Savings Agreements. Nick noted that Sanford would need their legal team to take a look and that they may have additional comments. Mike Diedrich indicated that Regional Health is in the same situation. Deb agreed that their legal team also needed additional review of the agreement. Mike noted that he will relay a sense of urgency to get the agreement resolved. Myra and Nate indicated they would also ask for the same due diligence from tribes.

Kim noted that based on service utilization trends, the state does not anticipate starting to share savings until the next fiscal year in July. The expectation is that the state would save enough dollars to fund the coalition recommendations and then start sharing savings in the next fiscal year. Before then, the state also hopes to determine what may be leveraged for federal participation via Medicaid supplemental agreements.

Brenda reviewed the other strategies for generating state savings including ambulances originating at IHS and prescriptions prescribed at IHS or under a care coordination agreement but filled at a non-IHS pharmacy. Tim asked if the opportunity with ambulances originating at IHS is when the patient is at the IHS ER and goes to another facility or when the person is at their home or in their car. Brenda said the opportunity is specific to the first instance where the person is at the IHS facility. Tim asked what the referral will look like, noting that they are wrestling with this same topic in North Dakota. Myra said that IHS has processes built into contract health care for emergencies, and that if a situation meets the definition of an emergency then there is a period of time for the individual to obtain a referral and that the same process ought to apply here. Myra said that if this is not built into the agreement, then a policy should be written so it is clear.

Brenda said that the state is starting with the situations that are most directly aligned with the requirements of the federal policy, but that there are other opportunities that the group will be talking about in the future. From a shared savings opportunity, once the coalition recommendations are funded, to leverage federal Medicaid dollars, the state will need to make shared savings payments in the form of supplemental payments. For IHS, the payment will be straight general funds since the same opportunity for federal match does not exist. It will still be payment to IHS, but will only utilize general funds.

Rep. Steinhauer said that he understands the supplemental payments, but he asked for more information about the payment process to providers. Brenda said that the payment would be made as an annual payment to the provider. The state would calculate the state general funds due to the provider, then apply the FMAP, and then issue the payment to the provider. Rep. Steinhauer asked how the federal payment is covered in the contract. Brenda noted that the payment is covered in the payment section. A State Plan Amendment will be needed for Supplemental Payments. Deb Fischer-Clemens asked about the timeframe. Brenda said the intent is to start soon and have a July 1 effective date. The state has had some high level conversations with CMS and would look to submit something to CMS in early spring. Deb asked about the tribal consultation process. Sarah Aker described the tribal consultation process. The department sends all tribes notification of a state plan amendment and a request for comment for 30 days before a SPA is submitted to CMS. DSS also meets with tribes each quarter and reviews the State Plan Amendments. Tim asked if the supplemental payments will draw down the regular FMAP. Brenda confirmed that the supplemental payments would be made at the service rate FMAP. Rep Steinhauer summarized that a provider will reach a tier, and the amount paid to the provider will be the amount of savings for that tier plus the federal match.

Kim clarified that the state is flexible in terms of payments, but that it is in the best interest of providers to hit higher tiers in order to garner a greater amount of savings. The state is working on a mechanism to share the amount saved in order to let everyone know where the savings stand.

Rep. Steinhauer noted that the process seems manageable given the number of providers involved at this point, but that this is only phase one and we need to get as much money saved through the policy as we can. He asked about next steps with other providers. Kim said that is on the agenda with the larger coalition to talk about next steps moving forward.

Next Steps

Kim set a target for finalizing the shared savings agreements within the next 60 to 90 days, recognizing that the agreements will not need to go into place until July. Kim asked Nate Livermont to note the timeframe to Jerilyn and request feedback or comments from GPTCHB before that time.

Kim said this group would look to touch base as a subcommittee again after Legislative Session in late March or early April. The state will send a meeting invite as it gets closer. Tim said that he's expecting to be in close contact about this topic during Legislative session. Deb Fischer-Clemens asked if this will be part of the appropriations process. Kim said that yes, this is anticipated to be part of the DSS budget and appropriations process.

Next Meeting

TBD